# MEDIA RELEASE

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## INTERGENERATIONAL REPORT 2026

## SUPERANNUATION DELIVERING FOR THE FUTURE BUT ECONOMIC CHALLENGES REMAIN FOR AUSTRALIA

The Financial Services Council (FSC) welcomes the release of the 2026 Intergenerational Report, which demonstrates the critical role of Australia's superannuation system, delivering higher retirement incomes for millions of Australians while reducing pressure on future taxpayers via Age Pension spending.

CEO of the FSC Blake Briggs said, "The report contains the good news that Australians are living longer. This underlines the importance of a retirement system that works to provide Australians with an adequate and dignified retirement, so they can spend their longer lives enjoying the fruit of their savings confidently, without needing to live in fear that they will run out of money.

"The other piece of good news is that Australia's superannuation system will deliver for Australians in terms of higher balances in retirement and a lower call on Commonwealth aged pension spending as a percentage of GDP."

Treasury projects the number of Australians above Age Pension age will almost double to around 9 million by 2066, while the proportion of older Australians receiving a pension or income support payment is projected to fall from 66 per cent to 52 per cent.

Age and service pension expenditure is projected to decline from 2.3 per cent of GDP to 1.8 per cent over the same period, compared to the OECD average of 10.3%. This is despite the old age dependency ratio increasing from 27.4 Australians aged 65 and over for every 100 working age Australians in 2025-26 to 40.2 by 2065-66.

Mr Briggs said, "The Intergenerational Report should give policymakers confidence in the fundamental architecture of Australia's superannuation system. The success of Australia's superannuation system rests on preserving savings for retirement while empowering Australians to choose their own fund and access financial advice to help ensure they are engaged and confident moving into retirement.

"However, the report acknowledges that a key driver of intergenerational inequity currently is the fact that young Australians are shut out of the housing market. The report shows home ownership among households aged 25-29 has fallen 17% over the past four decades, with around 250,000 fewer young households owning a home than if 1981 ownership rates had been maintained.

"Recent reforms are projected to lift the overall home ownership rate by around one percentage point, from around 67% today to around 68%. While this is equivalent to reversing around a decade of decline, it represents only a quarter of the four-decade period over which home ownership among young Australians has been falling.

The IGR also makes clear that Australia faces significant long term economic challenges, including slower economic and population growth, an ageing population and continued weak productivity growth. This will make it harder to sustain rising living standards and meet the growing fiscal costs of an ageing population.

"Governments will need to tackle the housing and economic challenges through reforms that support investment, productivity, and economic growth. This is key to maintaining public confidence, including preventing superannuation being identified as the solution to Australia's economic challenges.

"It is important to recognise, however, that the report demonstrates that Australia's superannuation system is playing its important role by supporting higher retirement incomes and reducing pressure on future generations."

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 130 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than $4 trillion on behalf of over 16.9 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.